

CAESARS ENTERTAINMENT Corp
Form 8-K
April 04, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

April 4, 2014 (April 3, 2014)

Date of Report (Date of earliest event reported)

Caesars Entertainment Corporation
(Exact name of registrant as specified in its charter)

Delaware
(State of
Incorporation)

001- 10410
(Commission
File Number)

62-1411755
(IRS Employer
Identification Number)

One Caesars Palace Drive

Las Vegas, Nevada 89109

(Address of principal executive offices) (Zip Code)

(702) 407-6000

(Registrant's telephone number, including area code)

N/A

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- .. Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- .. Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- .. Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- .. Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 8.01 Other Events.

On April 3, 2014, a letter was sent to the boards of directors of Caesars Entertainment Corporation (CEC) and Caesars Entertainment Operating Company, Inc. (CEOC) (the Letter) by a law firm claiming to act on behalf of unnamed parties who assert that they are lenders under CEOC 's credit agreement and/or holders of CEOC 's first-priority senior secured notes (collectively, the First Lien Group), alleging, among other things, that CEC and CEOC improperly transferred or seek to transfer assets of CEC and CEOC to affiliated entities in connection with: (a) the transaction agreement dated October 21, 2013 by and among CEC, certain subsidiaries of CEC and CEOC, Caesars Acquisition Company (CAC) and Caesars Growth Partners, LLC (CGP), which, among other things, provides for the contributions by CEC and its subsidiaries to CGP of Caesars Interactive Entertainment, Inc. and \$1.1 billion face amount of CEOC 's unsecured notes in exchange for non-voting interests of CGP, and the asset transfers from subsidiaries of CEOC to CGP of the Planet Hollywood casino and interests in Horseshoe Baltimore that was consummated in 2013; (b) the transfer by CEOC to Caesars Entertainment Resort Properties, LLC (CERP) of Octavius Tower and Project Ling that was consummated in 2013; and (c) the contemplated transfers by CEOC to CGP of The Cromwell, The Quad, Bally 's Las Vegas and Harrah 's New Orleans and formation of a new services joint venture among CEOC, CERP and CGP to provide certain centralized services, including but not limited to common management of enterprise-wide intellectual property (the Transactions). The Letter asserts that the consideration received by CEC and CEOC in the Transactions is inadequate, that CEC and CEOC were insolvent when the transactions were approved, that the Transactions represented breaches of alleged fiduciary duties, that certain disclosures concerning the Transactions were inadequate and concerns about governance of CEOC. The Letter claims that the First Lien Group consists of holders of a total of more than \$1.85 billion of CEOC 's first lien debt and that holders of an additional \$880 million of CEOC 's first lien debt endorse and support the Letter but are not part of the group. The Letter demands, among other things, rescission or termination of the Transactions and requests a meeting with representatives of CEC and other parties to discuss these matters.

CEC strongly believes there is no merit to the Letter 's allegations and will defend itself vigorously and seek appropriate relief should any action be brought. If a court were to order rescission or termination of the Transactions, that could cause CEOC, CERP and Planet Hollywood to default under existing debt agreements, and there can be no assurance that CEOC 's, CERP 's or Planet Hollywood 's assets would be sufficient to repay the applicable debt. In addition, if the contemplated transfers were consummated and a court were to find that those transfers were improper, that could trigger a default under the debt that CGP is raising to finance such transfers. These consequences could have a material adverse effect on CEC 's business, financial condition, results of operations and prospects.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CAESARS ENTERTAINMENT CORPORATION

Date: April 4, 2014

By: /s/ MICHAEL D. COHEN

Name: Michael D. Cohen

Title: Senior Vice President, Deputy General Counsel

and Corporate Secretary